

## INTERNATIONAL

# Herald Tribune

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THE WEATHER — PARIS: Tuesday, overcast. Temp. 15-18° C. Wind, variable. LONDON: Tuesday, scattered showers. Temp. 9-11° C. Wind, SW 4-6. CHANNEL: Moderate. ROME: Tuesday, cloudy. Temp. 19-21° C. NEW YORK: Tuesday, rain. Temp. 13-15° C. (55-61) NEW YORK: Tuesday, rain. Temp. 13-15° C. (55-61)

ADDITIONAL WEATHER — COMICS PAGE

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PARIS, TUESDAY, APRIL 4, 1978

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## Chinese, EEC Sign Pact on Trade Tie

BRUSSELS, April 3 (AP)—China and the European Economic Community today signed a five-year trade agreement.

"We support Western Europe in its union for strength and in its struggle against hegemony," said Li Chiang, China's minister for external trade. "We want to see a united and powerful Europe, and the countries of Europe, for their part, we are sure, want to see a prosperous and powerful China."

In the agreement, both sides promise favorable mutual trade considerations. There will be annual meetings to settle differences, and there is a pledge to consult before taking drastic trade action.

No figures or specific trade goals are provided. The Europeans hope to boost their exports to China, which lagged last year. They also hope for a big share in the sale of capital goods, in competition with the United States and Japan, to help turn China into a modern industrial state.

### Chinese Hopes

The Chinese hope to get an expansion of some European import quotas.



K.B. Andersen of the EEC and Li Chiang, Chinese foreign trade minister, sign pact.

The agreement was signed by Danish Foreign Minister Knud Andersen, the current chairman of the EEC Council of Ministers, and by Wilhelm Haferkamp, in charge of external affairs on the European Commission—the EEC executive that negotiated the agreement.

Mr. Haferkamp emphasized the accord's political and economic importance. "The agreement," he said, "is a sign of the trust between the People's Republic of China and the Euro-

pean community. This is particularly important in a world in which mutual trust is more necessary."

Mr. Andersen added that the nine EEC governments want to make their community a focal point for cooperation with all nations—regardless of size, culture and economic system.

Mr. Li Chiang said, "The socialist system of our country is different from that of the states of Western Europe, but we are

## Faure Defeat Seen as Gaullist Setback

## Assembly Picks Chaban-Delmas

By Joseph Fitchett

PARIS, April 3 (JHT)—Jacques Chaban-Delmas was elected president of the Freoch National Assembly today in a vote interpreted here as a gain for President Valery Giscard d'Estaing and a setback for the Gaullist wing in the coalition.

Mr. Chaban-Delmas, 63, was elected on the second ballot when the Gaullist candidate, Edgar Faure, 69, withdrew after receiving fewer votes than his rival on the first ballot.

Although Mr. Chaban-Delmas maintained that he was standing as an independent, his candidacy was widely thought to have the quiet support of the Giscardian wing of the majority coalition in the newly elected Parliament.

Mr. Faure, the outgoing Assembly president, was the formal candidate of the Gaullist party, led by Jacques Chirac, who has vied with Mr. Giscard d'Estaing over credit for the recent centerright victory in the parliamentary elections.

### Blow to Gaullists

The loss of the Assembly president's position and patronage is the latest blow in the attrition of the authority of the Gaullists, who lost the presidency in 1974 to Mr. Giscard d'Estaing, then lost the prime ministry in 1976 when Mr. Chirac was replaced.

Mr. Giscard d'Estaing's choice as prime minister then and now, Raymond Barre, sat alone on the government bench in Parliament today. He has delayed forming his cabinet until later this week so that ministers could vote today as members of the National Assembly.

Although the post confers only limited powers, Mr. Chaban-Delmas's decision to run against his former Gaullist ally, Mr.



Jacques Chaban-Delmas

avoid any appearance of a showdown, which might cause an open split in the ranks of the majority. French commentators were unanimous that the defeat of Mr. Faure would be welcome in the Elysee presidential palace, where Mr. Giscard d'Estaing has sought to foster moderate centrist policies, outflanking Mr. Chirac's Gaullists.

Some Gaullists were unhappy with the stormy party caucuses that named Mr. Faure, a veteran figure on the French political scene. Some Gaullists refused to support him in today's vote.

Mr. Chaban-Delmas, nominally still a Gaullist, is a former prime minister and has been the mayor of Bordeaux since 1947. He was president of the National Assembly from 1958 to 1969.

Faure, caused an outcry among Gaullist politicians. While Mr. Giscard d'Estaing was careful to

blame the command announced today.

The Israeli Army began to pull back its forces in southern Lebanon about a week ago, an official communiqué said. The forces are being replaced gradually by UN troops, the command said.

Israeli military sources have said that the Israeli troops will remain in Lebanon for about another month, until UN forces finish taking their posts. This was the first official word that the Israeli withdrawal had begun.

Meanwhile, United Nations peace-keeping forces and Palestinian guerrillas were reported to be fortifying their positions in southern Lebanon, while Israeli planes flew reconnaissance missions.

The reports coincided with the development of a controversy between rightist Lebanese leaders and radical guerrillas over the role of the UN force in Lebanon.

Radicals repeatedly have warned that they would not let UN troops prevent them from striking at Israeli positions in southern Lebanon and northern Israel.

The threats prompted rightist Lebanese leaders to call for increasing the strength of the unit, projected to reach 4,000 men by the end of the month, in order to make it a deterrent strike force.

### Request to Waldheim

Lebanon's parliament speaker, Kamel Assad, asked UN Secretary-General Kurt Waldheim to bolster the size and equipment of the UN forces.

Lebanese leaders voiced fears that radical guerrilla threats would undermine the cease-fire, which Israel proclaimed after conquering a 1,250-square-kilometer area of southern Lebanon.

They will raise their children there. For the most part it will be a closed system. They'll grow their own food and make their own oxygen. I see that happening within 15 years."

"Let's not give Israel the excuse to slice off more Lebanese territory."

## Israel Begins Lebanon Pullout

KHARDALI BRIDGE, Lebanon, April 3 (AP)—Israel has begun a gradual withdrawal from southern Lebanon, the military command announced today.

The Voice of Lebanon, a rightist radio station, said that the guerrillas were moving in reinforcements and digging trenches in the Tyre area and the Moslem

town of Nabatiyet, 30 kilometers northeast.

The broadcast said that French paratroopers with the UN forces were digging trenches in areas they control in Tyre along the lines opposite guerrillas and Israeli forces.

"Everyone is entrenching," said a spokesman for Yasser Arafat's Palestine Liberation Organization. "Palestinians, Israelis and UN forces alike are taking no chances. The Israelis are digging in and bringing in reinforcements. We're doing the same."

However, there were no reports of renewed fighting.

Israeli planes were reported to be maintaining a close watch over ground movements from the Beqaa Valley near the Syrian border to Lebanon's Mediterranean shoreline.

Palestinian and Lebanese refugees

## To Upstage U.S. Moon Successes

## Russia Seen Aiming for 1st Space Colony

HOUSTON, April 3 (AP)—Embarrassed by U.S. moon successes, the Soviet Union is concentrating on becoming the first nation to establish permanent space colonies, says an expert on the Soviet space program.

"Spacecraft will orbit the earth with men and women working there for long periods of time, such that many of them consider themselves permanent residents with no intentions of coming back to earth," said James Oberg.

"They will raise their children there. For the most part it will be a closed system. They'll grow their own food and make their own oxygen. I see that happening within 15 years."

As for children in space, Mr. Oberg said, pioneers in the United States brought their children with them and faced far more

hardships than will the people in space. Mr. Oberg is a lecturer for the American Institute of Aeronautics and Astronautics and a computer specialist at the Johnson Space Center.

He emphasized that his remarks on the Russians are his own, based on his personal study of their space effort.

Mr. Oberg said that the Russians were stunned by losing the race to the moon. Rather than admit that they had lost, they scraped their moon program and embarked instead on an all-space colonization effort.

"It paid off this year with a historic linkup in space of three Soviet spacecraft," he said.

"The technological importance of that linkup, and the things they'll do the rest of this year, will establish the idea of space colonies, just as the moon landing established the idea of people exploring other planets."

"I would suspect within a year or two the Russians will begin the token industrial utilization of space-manufactured material."

"They could make computer chips and that could be a way for the Russians to leapfrog the U.S. lead in computer technology."

"Whatever it is, when they do it, this year or next, it will be a significant milestone in space," he said.

The new law would take away from government boards that administer black towns, such as Soweto outside Johannesburg, the right to evict a family if they are behind in their rent or are not "good citizens."

At present, all 19 million blacks in South Africa, regardless of where they live or where they were born, are considered citizens of the nation's 10 tribal homelands which can opt to become independent nations, as two have done.

In another area, the government has decided that private schools can enroll pupils from other races in certain cases and in consultation with provincial education authorities.

In an interview yesterday in the newspaper Rapport, Minister of

Austria	12.5	Kenya
Belgium	20 B.F.	Lebanon
Denmark	1.5 D.J.	Luxembourg
Egypt	2.7 F.	Norway
Finland	2.50 F.M.	Netherlands
France	2.50 F.	Nigeria
Germany	1.50 D.M.	Portugal
Greece	1.50 Dr.	Spain
India	18 Dr.	Sweden
Iraq	15 Dr.	Togo
Italy	400 Lira	Turkey
Japan	1,572.00	U.S. (Milky Way)
United Kingdom	20 D.L.	Venezuela

## Carter Cautions S. Africa On Solution for Namibia

### Large U.S. Entourage Finds Few Problems

By Edward Walsh

LAGOS, April 3 (WP)—For all the warnings about health hazards, deadly mamba snakes and other supposed perils, the last six days have been a relatively pleasant experience for the big entourage that is following President Carter on a journey to four developing nations.

For the last two nights, the U.S. party, numbering several hundred, has been housed in the sleekly modern Eko Holiday Inn, a few hundred yards from the Nigerian coast. Saturday night, and the first hours of yesterday, the Americans frolicked in the hotel swimming pool, into which a fully clothed Sam Donaldson of ABC television was thrown while

his colleagues sang "We Shall Overcome."

To be sure, the Americans have encountered some of the common problems of the Third World. In Caracas, for example, a power cut coincided exactly with the arrival of the Americans at their hotel. Here in Lagos, the breakdown was human rather than mechanical—precisely at the moment that U.S. reporters arrived at the hotel to begin sending their stories to the United States, the local telex operators decided they were finished for the day.

These have been relatively minor inconveniences compared with what was expected when the (Continued on Page 2, Col. 4).

### Ends His Foreign Tour With a Stop in Liberia

By Frank Cormier

MONROVIA,

Liberia,

April 3

(AP)

President Carter ended his visit to Africa today with a warning that South African rejection of a reasonable solution in Namibia "could precipitate more serious differences" with the United States.

Talking to newsmen aboard Air Force One before stopping in Liberia on his way home, the President said he believes that Nigerian leader Lt. Gen. Olusegun Obasanjo shares his concern about Cuba's military presence in Africa. But Mr. Carter added, without elaboration, "I think there is a difference in emphasis." It apparently kept them from mentioning outside intervention in a communiqué.

At a working lunch with Liberian President William Tolbert Jr., Mr. Carter called for an Africa free from "interference of a military or other nature from outside forces or from their proxies." Referring especially to Angola and the Horn of Africa, where Cuba and the Soviet Union have sent troops and advisers, Mr. Carter said, "we want to see outside military forces and outside influence depart."

President Tolbert said: "We would urge a positive American policy of creativity which would inhibit rather than prevent or bewail the occurrences of external subversion and armed intervention.

(Continued on Page 2, Col. 4)



President Carter, Liberian President and Mrs. William Tolbert and Mrs. Carter at welcoming ceremony in Monrovia.

## Reversing Longtime Policy Toward Blacks

## S. Africa Seen Extending Property Rights

JOHANNESBURG, April 3 (AP)—The South African government will grant nearly full property rights to urban blacks in what is seen as a reversal of its longtime policy that blacks are only temporary residents in urban areas, the Johannesburg Star reported today.

It said that the plan was revealed by Prime Minister John Vorster to a delegation of the South African Freedom Foundation, a private pro-South African group supported by businessmen.

Under the plan, blacks in city areas and rural townships would apparently be granted permanent status outside their designated tribal homelands and the right to buy and sell property and to bequeath it to their heirs in perpetuity.

The government has accepted the plan in principle and legislation to that end will be presented to Parliament soon, the Star said.

A banker connected with the foundation, said, "It is tantamount to the same status that whites have, except they will not have freehold title to the land."

**Leasehold in Perpetuity**

The plan envisages a "leasehold in perpetuity," which for all purposes is the same as owning the land, the banker said. It is similar to cases in other countries where individuals live on national park land but do not own the property.

Full occupancy rights would be granted under the new deal.

Peter Mutlangane, a foundation trustee, said, "In practice blacks would receive all the advantages of ownership."

"The important thing is that, for the first time, blacks will now be given permanent occupation rights in urban areas," he said.

Blacks would be able to negotiate directly with lending institutions to build homes or remodel their dwellings and to put up their leases as collateral on a loan, or mortgage.

A political observer said that government officials realized that something had to be done about urban blacks to stabilize the situation and realize black aspirations.

"Politically, the government cannot grant title to the land or there would be a revolt in the ruling National party," he said. "It's as far as they can go without granting freehold title, which would imply full political rights and participation by blacks."

### End Eviction Rights

**Many Flee to Thailand****Rebel Tribe Resists Laos Rule**

By George McArthur

NONG KHAI, Thailand, April 1—Every night another handful of refugees trickles in from the fighting about 90 miles north of here in Laos.

Since October, the refugees and a few clandestine agents have given fragmentary details of the fighting—the latest chapter of the Indochina war—which is taking place in the rugged area around Phu Bia, Laos's highest mountain.

Pathet Lao forces, aided by the Vietnamese Army, are trying to pacify a tribal people who have refused to support the new Communist government.

These people are known as Meos, meaning barbarian, but they call themselves Hmong—bee men. During the Vietnamese war, many of them, with CIA support, fought against the Communists.

It takes the refugees about two weeks to reach the foothills just north of the Mekong River and its border village that is the outside world's main window on Laos.

**Calm by Day**

By day, Nong Khai lazes peacefully in the sun. On the Thaïde of the Mekong River, people drink in the little cafe by the riverbank. A few merchants carry over the crates of medicines, textiles, fishing nets and sagoed fish sauce that make up the skimpy trade with Laos. Long, narrow motorboats chug

slowly between the almost identical stucco customs posts—the one on the south flying the royal banner of Thailand and the other the starred new flag of Laos.

"We knew late last year that the Vietnamese were going to start a big campaign against us," one of Gen. Vang Pao's relatives said. "But there was nothing we could do."

By then, about 90,000 Hmong had decided not to surrender to the Pathet Lao and had moved their villages to higher ground, mostly around Phu Bia. Although the Communist government in Vientiane tried to persuade them to surrender, the Hmong refused and fired on Vietnamese or Pathet Lao patrols sent into the mountains.

**Scorched-Earth Campaign**

The big push, by a joint Vietnamese-Pathet Lao force, into the Phu Bia area probably began in October. It was, an intelligence expert said, a scorched-earth campaign, with troops burning villages and crops and Soviet-built MiG-17 jets dropping napalm captured from the Americans during the Indochina war.

In the opening months, the campaign crippled whatever military organization existed among the 200,000 Hmong below the Plaine des Jarres in central Laos. Like virtually all the Hmong leaders, Mr. Ly is a former officer who served under Maj. Gen. Vang Pao, the soldier whose army was financed for two decades by the CIA. Although Gen. Vang Pao is now living in the United States, he is still the undisputed leader of the Hmong. At least

**More Waiting**

"They always say the same thing when they get here, that there are more behind them," said Gen. Thao Sang, 54, leader of the Hmong refugees in the camp here.

Officials believe that there are as many as 5,000 Hmong waiting to cross the river.

Neng Yia Ly led 64 persons to safety after his village was bombed and shelled in February. Like virtually all the Hmong leaders, Mr. Ly is a former officer who served under Maj. Gen. Vang Pao, the soldier whose army was financed for two decades by the CIA. Although Gen. Vang Pao is now living in the United States, he is still the undisputed leader of the Hmong. At least

the number of Hmong refugees making their way to the Mekong began to rise sharply. By December, the authorities in Thailand—also beset with refugees from lowland Laos, Cambodia and Vietnam—were alarmed. The Thais announced that they would start turning back refugees at the border. In some cases, Thai border guards used searchlights to illuminate fleeing refugees, enabling the Pathet Lao to shoot them as they fled.

Under quiet pressure from Western embassies, the Thais ended such practices. Now, according to refugee officials, the Hmong are not turned back.

Some officials also believe that the poorly armed and thinly stretched Pathet Lao forces along the river are not making a really intensive effort to stop them.

"There is no doubt that they shoot them up when they can, but I have the impression they could do more," an official said. He added that he believed the Communists were not sorry to see some of the intransigent Hmong leave Laos.

The second exodus of Hmong began early this year and was intensified by a major attack in the Phu Bia area on Feb. 10, involving artillery, tanks and planes. At least several thousand Hmong were believed killed in that campaign although estimates are difficult. About 30,000 are believed to have been killed in the war.

The number of Hmong refugees is equally difficult to determine. Of the 100,000 officially listed in Thailand, perhaps 20 per cent to 30 per cent are Hmong. More than 1,000 crossed the Mekong last month and are in camps.

*© Los Angeles Times***Dissidents Cite Bulgaria Abuses**

VIENNA, April 3 (AP)—A dissident group in Bulgaria has published a six-point "Declaration 78" against violations of human rights, the Vienna newspaper Die Presse reported today.

It said that the declaration bore 20 signatures. It was issued on behalf of a group which calls itself "ABD." The declaration was addressed "to all."

Die Presse said that the declaration was considered authentic in Sofia.

(Continued From Page 1)  
U.S. party left Washington last Tuesday.

It was warned of all kinds of perils, among them the mamba snake said to inhabit Liberia, where the President touched down briefly before returning to the United States. No snakes, mambas or otherwise were encountered.

This trip also contrasts well with Mr. Carter's last journey overseas, which took him to seven countries in nine days, exhausting the President and almost everybody who accompanied him. Learning from that experience, White House officials constructed a less hectic schedule for this trip, including it in a free evening to enjoy the splendors of Rio de Janeiro.

A first-time visitor to the Third World comes away with two strong impressions. The first is the displays of military power in the countries that the President has visited.

Whether in Venezuela, Brazil or Nigeria, Mr. Carter has been surrounded by soldiers armed with automatic weapons whenever he has appeared in public, dwarfing any security arrangements seen in Washington.

The Brazilians, however, may have gone too far in flexing their military muscles. They sent two jet fighters to intercept the two

press planes as they flew into Brasilia.

The second impression is that, of all the Third World's well-publicized problems, there is one with which Americans can easily identify—traffic jams.

It can take five hours or more to go the few miles from central Lagos to the airport. It was not much better in South America.

The Nigerians were struck by the size of the press contingent that accompanied Mr. Carter. A columnist for the Lagos Sunday Times, Mvendaga Jibo, offered this explanation:

"It is now well known that some American journalists are part of the official intelligence-gathering apparatus. It is, therefore, conceivable that some of the journalists have come to get the information needed to fill in a gap in the knowledge that the Pentagon or the CIA has about us. And Americans are big spenders when intelligence information is available for a fee."

"I have always wanted to be somewhere where the only safe thing to drink is beer," an American businessman remarked the other night.

The local water supposedly being contaminated, there is no telling how much beer has been consumed here the last two days. Hundreds of cases were flown in specifically for this visit, and most of them appear to be gone.

LONDON, April 3, (Reuters)—Britain and the United States are sending envoys on a southern Africa tour in another attempt to find a Rhodesian peace formula, the Foreign Office announced today.

The two envoys are Mr. John Graham, Deputy under secretary at the Foreign Office, and Mr. Stephen Low, U.S. ambassador to Zambia.

(Continued From Page 1)  
specify what those differences would be.

The President, reviewing his weeklong trip to Africa and Latin America, declared: "I thought it was a great trip—much better than we had anticipated in every way."

Two of the nations along Mr. Carter's route—Nigeria and Venezuela—are major exporters of oil to the United States. In response to a question, the President said it is obvious that both countries favor an increase in world oil prices.

The other country visited by Mr. Carter was Brazil. He said the results of his talks were "more than we had any reason to expect." But he offered no elaboration.

**Carter Stumbles**

When the President, greeted by thousands of Liberians, mounted a platform for welcoming ceremonies at Robertsfield International Airport outside Monrovia, he stumbled. But President Tolbert caught him by the arm and he regained his balance.

**Policy Question**

Asked whether he had not intended to give Mr. Carter a chaotic welcome, "The crowd has gone wild!" shouted an announcement over Liberian radio. Villagers at every settlement on the 38-mile route from the airport into Monrovia, Liberia's capital, waved flowers and palm fronds at the visiting President. Men, women and children darted between cars and raced the procession past butts

rubber trees and tall termite mounds to the executive mansion.

Mr. Carter spent only a few hours in Liberia, a nation founded in 1822 by freed blacks from the United States. President Franklin D. Roosevelt stopped in this first independent black African nation in 1943 on his way home from the Casablanca Conference, but it was not considered a state visit. Liberia was a key Allied supply point in World War II.

At private talks in Lagos, Mr. Carter and Gen. Obasanjo agreed on a new Western blueprint for transition to black rule in South-West Africa. The plan has been published and is yet to be accepted by South Africa and nationalist guerrillas.

**New Conference**

Mr. Carter said that he and Gen. Obasanjo also agreed on Rhodesia. The President announced that the United States and Britain are calling a new conference of Rhodesian guerrilla leaders, representatives of the nation's white minority and moderate blacks.

The conference will be another attempt to bring black rule under a U.S.-British plan providing for a major guerrilla role in a British-backed transitional government. U.S. officials said that the question of Cuban intervention in Africa was omitted from a joint U.S.-Nigerian communiqué because the two countries have differing views.

An official said that Nigeria believes it is the right of each African nation to decide for itself whether to welcome Cuban troops.

**Some Skepticism**

Evelio, on Rhodesia, Geo. Obasanjo, appeared to hint at some skepticism. He said that the U.S.-British plan "seems to be acceptable."

Zbigniew Brzezinski, Mr. Carter's national security adviser, said the President envisions a meeting later this month that would bring together the guerrilla-backed Patriotic Front and the five front-line, black-ruled nations that are Rhodesia's neighbors.

Mr. Brzezinski said that the objective was to hold a second meeting "probably sometime in May," bringing in Rhodesian Prime Minister Ian Smith and three moderate blacks whom he has struck a deal for a black government by Dec. 31.

U.S. officials acknowledged that there was no guarantee the second meeting would take place. Mr. Brzezinski said he could not predict whether Mr. Smith and the moderate blacks would attend.

The new equipment, expected to start coming into wide use in about 10 years, is designed to permit planes to glide toward a runway hidden by rain or fog with greater flexibility, rate of flow, and safety than is possible now. Hundreds of millions of dollars in sales could hinge on the outcome.

British critics have charged that the U.S.-backed MLS system has run into numerous snags in flight and that the FAA has sought to hide the data. In addition, several members of Congress have criticized FAA behavior.

Langmore Bond, head of the FAA, has charged in turn that the British and their U.S. lobbyist, Michael Lehman, have been distorting facts and withholding relevant data.

**No Clue Yet on Chaplin**

CORSIER-SUR-VEVEY, Switzerland, April 3 (AP)—One month after the theft of Charlie Chaplin's body from the village cemetery here in December, investigators still have no concrete clue as to who was behind the abduction, the Chaplin family lawyer said today.

(Continued From Page 1)  
ATHENS, April 3, (Reuters)—Greek Defense Minister Evangelos Avroff-Tositsas today criticized the reported U.S. intention to end the three-year arms embargo on Turkey as "neither right nor fair."

Greek opposition leader Andreas Papandreou called on the government to shut U.S. military bases in Greece and stay out of Greece's territorial integrity. It also confirms what we have been insistently repeating all this time, that Greece should immediately close all American bases operating on Greek soil and put an end to all talk about its return to the military wing of NATO," Mr. Papandreou added.

Greece withdrew from the military wing of NATO in August, 1974, but is negotiating a special status under which its armed forces will come under NATO command in a general war.

Meanwhile in Nicosia, Cyprus President Spyros Kyprianou appealed for calm and asked Cypriots not to give in to anti-U.S. feelings.

He said that the issue should be faced "in an absolutely cool manner," adding: "On no account should anti-American feelings be created, for in spite of our radical disagreement with the U.S. government, it should not be forgotten that the large majority of the American people have friendly feelings for Cyprus."

"Moreover, we continue to have much hope in the U.S. Congress," he said.

**Cyprus Issue Cited****Greece Assails U.S. On Arming Turkey**

news. We never have had any illusions on the policy followed by the U.S. government.

"The lifting of the embargo at this very moment constitutes a further encouragement of Turkey's illegal claims to the Aegean and creates a direct threat to Greece's territorial integrity. It also confirms what we have been insistently repeating all this time, that Greece should immediately close all American bases operating on Greek soil and put an end to all talk about its return to the military wing of NATO," Mr. Papandreou added.

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"Moreover, we continue to have much hope in the U.S. Congress," he said.

**Israel Starts Withdrawal Of Troops From Lebanon**

(Continued From Page 1)

Lebanon would continue to disrupt the cease-fire.

The Palestinian leader, interviewed on a U.S. television program, said that volunteers and freedom fighters were "working now" in the Israeli-occupied area, but were not acting under direct orders from him.

**Syria Rejects War**

DAMASCUS, April 3 (UPI)—The state-controlled press said today that Syria would not be dragged into a Middle East war despite what it termed "provocations" by Israel.

It also accused Egypt and Iraq of trying to instigate a conflict involving Syria.

**FAA Is Facing Showdown Over Landing System**

NEW YORK, April 3 (NYT)—With a showdown on the subject opening at a world meeting tomorrow, the Federal Aviation Administration is making a maximum effort to counter mounting criticism of its banding of a dispute battle with Britain over a new system for landing planes in bad weather.

Delegates to the Montreal session hope to vote within three weeks on which Microwave Landing System (MLS), U.S. or British, to recommend as the global standard for the next several decades.

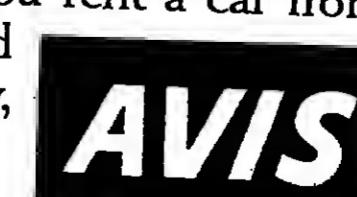
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Langmore Bond, head of the FAA, has charged in turn that the British and their U.S. lobbyist, Michael Lehman, have been distorting facts and withholding relevant data.

The military government, meanwhile, announced that the electoral commissioner, Judge K.L. Aban—who disappeared on the eve of the referendum March 30—had been relieved of his post. The government denied allegations by opponents that Aban had been arrested or had been chased into hiding.

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spite Threat to Travelers

## Japanese Decide to Open Narita Airport on May 20

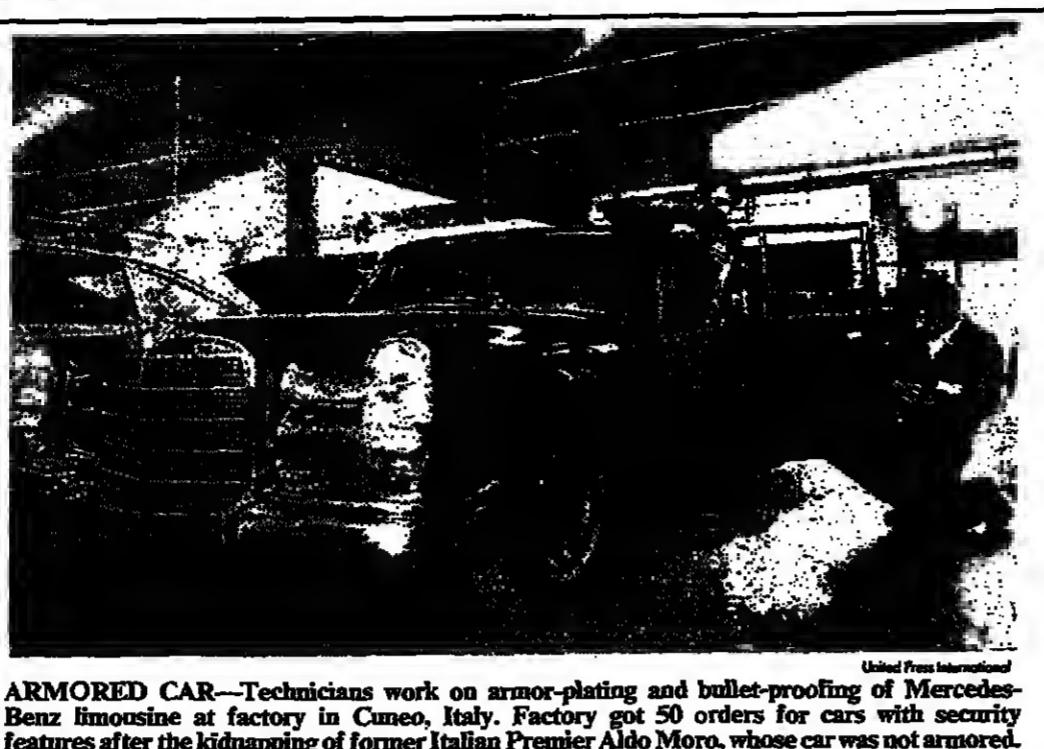
OKYO, April 3 (UPI)—The Japanese government decided today to open the controversial Tokyo International Airport May 20 despite radical leftist threats that visitors will use the airport at risk of their lives, according to government sources.

The sources said that a ministerial meeting presided over by Prime Minister Takeo Fukuda had set the date for opening the port at Narita, about 40 miles east of Tokyo. Flights are scheduled to begin the following day. Thousands of environmentalists, farmers whose land was taken for the airport and leftists held mass rally yesterday and vowed to Narita built six years ago to relieve congestion at Tokyo's

## Italian Police Pound Up 100 Moro Search

ROME, April 3 (UPI)—Police today ended up with about 100 young leftists in the Genoa, Pescara and Rome areas for questioning as part of the hunt for the terrorist rappers of former Premier Aldo Moro. Police said that 13 were held in charges of illegal possession of arms.

The operation involved thousands of police, who searched city apartments, country houses and office buildings and set up roadblocks. Police said it was conducted on orders from the gendarmerie investigating Mr. Moro's kidnapping, using newly granted powers allowing police to detain for 24 hours anyone who uses to identify himself or whose identity papers are suspect.



ARMORED CAR—Technicians work on armor-plating and bullet-proofing of Mercedes-Benz limousine at factory in Cuneo, Italy. Factory got 50 orders for cars with security features after the kidnapping of former Italian Premier Aldo Moro, whose car was not armored.

## 'Armed Feminism' on Rise in Europe

ROME, April 3 (AP)—Women are taking an increasingly active role in the guerrilla organizations of Western Europe.

A former comrade led into court in chains as a member of Italy's Red Brigades, the terrorist organization that kidnapped former Premier Aldo Moro.

A 22-year-old dental assistant among the South Moluccans who commanded a train in the Netherlands last year was described as the most ruthless of the gang.

In West Germany, 10 of the 16 terrorists sought in the kidnapping and slaying of Hanns-Martin Schleyer are women. So are two of the three killers of banker Juergen Ponto.

"In Italy of 1978 we have ar-

rived an armed feminism," an Interior Ministry official said. "They act in cold blood."

"They are violent because society has been so violent against them for so long," Tina Baffi, an Italian lawyer, said.

Although no woman has reached the pinnacle of power in the Irish Republican Army, women have been in the forefront of the Italian and West German terrorist movements.

Western Europe's best-known female terrorist in recent years was Ulrike Meinhof, a Hamburg journalist and housewife who with Andreas Baader organized and led West Germany's Baader-Meinhof terrorist organization in the early 1970s in a campaign of arson, bank robbery, shooting and bombing.

Baader's Friends

Another leader in that group was Baader's mistress, Gudrun Ensslin, who aided him in his first terrorist attack, setting fire to a department store in Frankfurt in 1968 as a strike against the "pig-fascist state." When Baader was arrested for the arson, Mrs. Meinhof led the prison raid that rescued him.

Baader, the two women and a male associate were captured in 1972. All four were found dead in their prison cells, Mrs. Meinhof during the trial, and the other three after a terrorist hijacking to secure their release failed. The government said all four committed suicide.

Italy's Red Brigades also was

founded by a man and a woman, Renato Curcio and his wife, the late Margherita Cagol. And like Mrs. Meinhof, Miss Cagol in 1975 led an armed attack at Freccia Cucinelli from jail.

Miss Cagol was killed shortly afterward in a shootout with police. Nadia Mantovani, once a pre-med student at the University of Padua, took her place at Curcio's side. She is still beside him in the defendants' cage in Turin, where the government is attempting for the third time to try 15 members of the Red Brigades.

### Class Warrior

Among the fugitive members of the Red Brigades is 26-year-old Susanna Ronconi, a former political science student considered to be in the top echelon of the organization, who once wrote that she went underground "to exalt the role of women in the class war."

Miss Ronconi and another woman are among seven persons wanted in connection with the killing of a Turin police official on March 10, the day after the Red Brigades trial started, and in the kidnapping of Mr. Moro six days later.

Mr. Moro's five bodyguards were killed by the kidnappers, and investigators say they have ascertained that one or possibly two women were among those firing submachine guns.

The IRA in Northern Ireland is said to use women mostly as smugglers of explosives and to lure British soldiers to ambushes.

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Paris Opera administrator Rolf Liebermann with model of stage design for canceled opera.

**Paris Opera Cancels Exchanges With Soviet Union**

PARIS, April 3 (IHT)—The Paris Opera announced today the breaking off of cultural exchanges with the Soviet Union over the issue of artistic freedom.

Rolf Liebermann, administrator of the opera, said that the decision resulted from the refusal of Soviet authorities to allow Yuri Lubimov, the director of the Taganka Theater in Moscow, to stage Tchaikovsky's opera "The Queen of Spades" for the Paris Opera in June.

The Paris Opera acted out of loyalty to Mr. Lubimov and his colleagues in the production, conductor Gennadi Rozhdestvensky and composer Alfred Schmitke, he said, in dropping the production rather than accepting another stage director from the Soviet Union. The production will be replaced by one of Puccini's "Madame Butterfly" from La Scala of Milan.

Mr. Liebermann said there was no indication of precisely what Soviet authorities objected to.

in Mr. Lubimov's planned production. He said the Lubimov version did not tamper with the original except for a plan to read a French translation of portions of the text between scenes. He said the decor for the Tchaikovsky opera had already been constructed at a cost of more than \$130,000.

Mr. Lubimov has acquired a reputation for daring theatrical productions with his own company, which visited Paris and other French cities last fall on its first visit to the West. Mr. Lubimov and his Taganka colleagues also staged the world premiere of a modern opera, Luigi Nono's "Al Gran Sole Carico d'Amore," at La Scala in 1975.

Carlo Maria Badini, general manager of La Scala, joined Mr. Liebermann today in denouncing Soviet restrictions on Mr. Lubimov.

The Paris Opera's decision will mean the cancellation of a scheduled summer appearance of the Leningrad Kirov Ballet, Mr. Liebermann said.

**At Least 20 Are Injured****Indian Troops Sent to Hyderabad After Riot Kills 4**

NEW DELHI, April 3 (AP)—Indian Army troops were ordered into the streets of Hyderabad, central India, today after four persons were killed and at least 20 were injured by rioting and police gunfire, reports from the area said.

Authorities ordered a two-day curfew in the twin cities of Hyderabad and Secunderabad in a move to halt riots that followed allegations that police raped a

woman and fatally beat her husband four days ago.

The state government asked the army to march troops through the streets after the rioting, the Indian news agency Samachar reported.

A court inquiry has been ordered into the alleged rape and killing that set off the disturbances last week.

One person was reported killed and there was extensive property damage in three earlier days of anti-police rioting that followed the incident. City buses were a

main target of the mobs. All public transportation was shut.

Transport authorities said that rioters burned 10 buses and damaged 60.

The state's chief minister, M.C. Reddi, blamed the trouble on organized groups and outsiders. Mr. Reddi, a follower of former Prime Minister Indira Gandhi, was installed after Mrs. Gandhi's party won the Andhra Pradesh state election at the end of February.

The army was called as a move to calm outraged public feelings, according to reports from Hyderabad, a city of 1.6 million.

Opposition politicians in Hyderabad called a work stoppage

**Black Hole Found 5 Billion Times Denser Than Sun**

By Walter Sullivan

NEW YORK, April 3 (NYT)—Astronomers have found what they believe may be a black hole containing 5 billion times more material than that forming the sun. It is in the core of the galaxy known as Messier 87, or M-87, an assemblage of several hundred billion stars in the constellation Virgo.

This would be the first observational evidence for so huge a black hole. Such objects were originally postulated on a far smaller scale as remnants of stars that, having exhausted their nuclear fuel, have collapsed to an ultimate extreme of density.

Such an object would generate gravity so strong that nothing could escape it or pass close by, not even light waves. Within it, according to present theory, time would virtually come to a halt and space would become infinitely curved.

Many astronomers believe that evidence for black holes, formed from the collapse of massive stars, has been detected in the bursts of X-rays emitted as gas falling toward the hole from a companion star. Some theorists, however, find the conditions predicted for a black hole so bizarre that they seek other explanations for what is observed.

The holes that have purportedly been detected in recent years, notably Cygnus X-1, are only a few times more huge than the sun, but it has been suggested that far more massive holes may exist in the cores of some, if not all, galaxies. This has been suggested, for example, to explain the catastrophic events evident in some galaxies such as M-87 and the more distant quasars.

M-87 is a giant elliptical galaxy so great that its gravity seems to play a major role in holding together the cluster of 130 galaxies in the constellation Virgo. Although it is 50 million light years away (meaning its light takes that many years to reach the earth), it emits radio waves and X-rays that, even after covering so great a distance, are still extremely powerful.

In photographic exposures that emphasize the central, most brilliant region of M-87 a jet is evident extending 5,000 light years

from the core. Such jets, seen in several galaxies and quasars, apparently manifest great explosions from the core.

The new observations of M-87 have been a coordinated effort by astronomers using two of the world's most powerful telescopes:

The 200-inch reflector of the Hale Observatories on Mount Palomar in California and the 157-inch instrument of the Kitt Peak National Observatory in Arizona.

The Kitt Peak observers recorded the extent to which very rapid motions of stars near the core of the galaxy broaden spec-

tral lines emitted by those stars. On Mount Palomar, electric scanners were swept across the central region of the galaxy to record variations in light intensity with a precision newly made possible by such devices.

**Bright Point of Light**

As explained in a telephone interview by one of the astro-

nomers, Dr. Jerome Kristian of the California Institute of Technology, this disclosed an extremely bright point of light in the center and a halo less bright but still very brilliant extending 15 to 20

seconds from the center. It is roughly the angular width of the planet Mars as seen when relatively close.

The stars proved to be in

wild motion that an extreme concentration of mass in the seemed necessary to provide gravity holding them captive,

spite the brilliance of the region, it did not indicate presence, by a wide margin sufficient stars or other conve-

ntional matter to do the job, an

it is suspected that a super-

massive black hole exists, per-

haps hidden within the brilliant cor-

**Accord Reached In Two British Press Walkouts**

LONDON, April 3 (AP-DJ)—Two strikes that crippled the printing and distribution of newspapers in London last week were settled during the weekend and all national newspapers were expected to be available today.

A third strike prevented publication of The Sunday Times of London yesterday, but it will not affect publication of the daily Times today.

An agreement was reached Friday between newspaper distributors and members of the Society of Graphical and Allied Trades to end an overtime wage dispute that had stopped the distribution of most newspapers in London. The settlement calls for a phased-in schedule of increased overtime pay.

On Saturday, a settlement was reached in a strike by some production workers at The Times, a strike that also had hampered printing of the Guardian, which uses the Times presses in London. This settlement should have allowed publication of a curtailed edition of The Sunday Times, but an unexpected strike by machine assistants prevented it.

**French Papers Cost More**

PARIS, April 3 (Reuters)—All but one of France's national newspapers today raised their prices because of rising costs. Le Monde went from 1.60 francs (about 35 cents) to 1.70 francs (about 37 cents). Le Figaro and France-Soir each rose from 1.40 francs (about 31 cents) to 1.60 francs. Others raised their prices from 1.50 to 1.60 francs. The morning daily, Le Matin, kept its price unchanged at 1.60 francs.



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Page 6 Tuesday, April 4, 1978 \*\*

## Anti-Inflation and the U.S.

President Carter, returned from his trip abroad, is going to have to decide quickly what to do about the ominously rising inflation. If that is, he intends to do anything serious. Last January, in his economic message, Mr. Carter outlined in rather vague sketchy terms the beginnings of an attempt to push down the American inflation. Since then, the administration's record inflation has been notable more for the pinnacles than for the policy. The administration has newly discovered the old political adage that the world is made up exclusively of people who think that they are special cases. last year the inflation rate was a little over 6 per cent. Currently it seems to have settled back up to a little over 7 per cent.

The sad thing about it is that the policy seems, in principle, the right one. It is the policy of gradual deceleration, to use Mr. Carter's word. He is not thinking about mandatory wage and price controls, a very dangerous approach. He is not inclined toward "and-fast" guidelines, which always tend to become floors rather than ceilings for rates. The President recognizes that it takes time to work the inflation rate down, and the present target is half a percentage point a year.

It now it's moving the other way, and the reasons are related to this administration's style of politics. It keeps getting itself into embarrassing jams, and it keeps trying to buy out by trading off pieces of the inflation strategy. The administration wrings its hands and explains how difficult its political position is on this or that passing question, the first thing you know there's another exception to the deceleration plan. Consider the most recent example, the steel increase. Then consider the next one, coming collision over federal pay raises. At the time the coal miners' strike started December, the administration had already accepted the idea that the wage settlement was going to be extremely large. It turned out to be 39 per cent over three years, way out of line with deceleration strategy, the miners were a special case.

Then one special case began to breed others in its frantic efforts last month to bring

the strike to a close, the White House leaned hard on the coal companies, and on the steel companies that own coal companies, to give in on certain key points. They gave in—but there is always a price for that kind of cooperation. Last week, even before all of the miners were back at work, long before any newly mined coal had actually moved, U.S. steel announced a price increase of \$10.50 a ton. That was on top of the industry's previous large increase last Feb. 1.

The new increase was answered with the ritual squawk from the White House. Economists there said that the coal settlement justified, at most, an increase of \$4 a ton, hardly had those words appeared when the other big steel companies, led by Bethlehem, announced that they were going to raise their prices by the modest figure of \$5.50 a ton. The White House, which doesn't have much stomach for fights, and which is indebted to the companies for their cooperation in ending the coal strike, managed to say that it was "pleased" at the lower figure. In other words, Mr. Carter accepts a price increase that runs one-third higher than the passed-through cost of the coal settlement.

That episode is an extremely clear example of the nature of U.S. inflation today. It is the effort of some to catch up, and by others to move up their prices quickly in anticipation of it. You could call the jump in steel prices a lot of things—but not deceleration.

Meanwhile, in the next major case coming toward Mr. Carter, the federal government's employees are drumming up their very considerable political support for their next pay raise. Wages in the private economy have been going up around 8 per cent a year, and the federal workers want exactly the same increment. Why should they get less? We could argue that there are important benefits attached to federal employment. One is the great stability and security of those jobs. Another is the exemption from Social Security taxation. But the main point here is that if everybody insists on catching up continuously with inflation—and perhaps getting a little more along the way, for safety's sake, like the steel companies— inflation is not going to wind down. To the contrary, it is going to wind up—precisely as it is now beginning to do.

THE WASHINGTON POST.

## Our Men in Havana

There were until recently five Americans, convicted of espionage 10 or more years known to be languishing in Cuban prisons. Then last December Reps. Frederick Mond, D-N.Y., and Richard Nolan, D-I., intervened directly with Fidel Castro, telling that the release of these unfortunate, long-punished men would serve U.S. relations well. Frank Emmick, a heart patient, a self-described frogman convicted in 1964 of being the station chief (he denies it), was soon set—a bitter as well as a broken man. Last month Mr. Emmick held a press conference under the auspices of the American Bar Council. He meant, he explained, to a promise made to other prisoners—the Americans and, by his count, 40,000 ins—tell of the horrors of life in Cuba. This he did, with feeling. Subsequently, Richmond conveyed to Mr. Emmick to the CIA his view that such accounts, were accurate and understandable, risk deriding continuing efforts to obtain the

THE WASHINGTON POST.

### International Opinion

#### Letters—Japanese Style

#### Giscard's New Actions

President Giscard d'Estaing of France has taken advantage of his position as the only clear victor in last month's general election to make two clear breaks with the traditions of the Fifth Republic. In the first place he has held a series of meetings at the Elysee Palace, not only with leaders of the parties which have hitherto supported the center-right government in parliament but also with leaders of the left-wing parties and of the trade unions. In the second place, he has re-appointed the outgoing Prime Minister, Raymond Barre, to head the new government which will be formed this week.

Both these actions the President has sought to underline his aspiration to set a new style in French politics, a style which he believes corresponds with the desire of ordinary Frenchmen to be governed from the center...

The President has made some gestures to change his own image, but his desire to translate a change of style into a transformation of the French political scene cannot succeed unless the Communists fail to change theirs.

—From the Financial Times (London).

## In the International Edition

### Seventy-Five Years Ago

April 4, 1928

Contrary to expectations that the Paris-York phone service would be less in demand after the novelty had worn off, 75 calls, than on the opening day, were made on day, it was stated yesterday. Of these 45 were for New York alone while the others were relayed to various parts of the United States, even as far as the Western States on the Pacific Ocean.

### Fifty Years Ago

April 4, 1903

NEW YORK — The first speech delivered by President Roosevelt on his Western trip reflects his vigorous personality. Mr. Roosevelt says he believes in the Monroe Doctrine with all his heart and soul. While admitting that it is not international law, he thinks it may one day become so. But he said the important thing is that the United States possess the will and the strength to make it effective.



## Why Hanoi, Phnom Penh Clash

By Alexander Casella

**N**EW YORK—While the border question between Vietnam and Cambodia has been the most visible source of conflict between the two countries, the essence of the confrontation is between two totally different and ultimately incompatible systems of government.

Ever since coming to power in the northern half of the country in 1955, Vietnam's Communists have been acutely aware of the necessity of having a stable currency and fighting inflation. In 1976, the year after the fall of Saigon, a first currency exchange was held in the South. The "southern" dong now in use is only a temporary currency, however. It is not interchangeable with the "northern" dong, so as to avoid importing into the north the south's inflation. Ultimately, both currencies will be replaced by a single new currency.

To promote savings, Vietnam's government pays a 4.5 per cent interest rate on savings accounts and, in order to acquire foreign exchange, encourages its citizens to receive remittances from abroad. Thus many Vietnamese in Hanoi receive money transfers from their families in France in order to eventually buy a home. They can do so because housing in North Vietnam has not been nationalized.

#### Opposite Path

Faced with an economic situation somewhat similar to Vietnam's the Khmer Rouge— the Cambodian Communists—took the opposite path: instead of reforming their currency, they abolished it, and with it, all forms of private ownership.

Cambodia is the only nation without a currency. The population has been divided into groups of 30 families each of which receives, once a month, a specific amount of rice, cooking oil, fish sauce, etc. The only flexibility the individual has is to barter part of his ration, but he is permitted to so only within the 30-family group. Each individual is permitted to possess only his clothes and eating utensils, to the exclusion of any other goods. Thus, while the Vietnamese encourage some private ownership, provided it is the fruit of one's labor, the Cambodian Communists seem to have effectively eliminated it.

The diplomatic differences between Vietnam and Cambodia are equally glaring. Vietnam has established diplomatic relations with almost all nations, except for the United States and a few others. All the socialist countries as well as most Western European countries have embassies in Hanoi and vice-versa.

Vietnam has daily foreign-language radio broadcasts, and through its press agency, has gone to considerable effort to explain its stand in the conflict with Cambodia.

Vietnam accepts aid from all sources, provided no strings are attached. It has a permanent mission to the United Nations, and three UN organizations have offices in Hanoi. Cambodia accepts aid exclusively from China and as no mission at the United Nations. While South Vietnamese continue to leave their country clandestinely, headed for Thailand or Malaysia, some 100,000 Cambodians have fled the Khmer Rouge to seek refuge in Communist Vietnam. There is no evidence that any Vietnamese has fled his country to seek refuge in Cambodia.

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While life for Western diplomats in Hanoi is Spartan, Hanoi

#### Letters

#### Beautiful People

Social scientists such as Havelock Ellis and Cesare Lombroso, both of whom received considerable recognition for their studies of the social condition of people with big ears, flat noses and jutting jaws, would have been amused by the "new findings" announced by Leslie Bennett in "Psychologist." Find "Beautiful is Good" (IHT, March 23). I was less amused than bemused by Bennett's premise that beauty or attractiveness is a

genetic, immutable (except by plastic surgery) physical trait. Only under that premise is it disturbing that, for example, employers pay attention to a person's overall appearance in making hiring decisions—other qualifications being equal. People can and often do (much to the pleasure of cosmetic companies, hair stylists and clothing manufacturers) modify their appearance and thus their perceived beauty or attractiveness.

A. EMERSON SMITH  
Exeter, England.

## Israeli-Arab Impasse

## The Hour of Grace

By Anthony Lewis

BOSTON—Golda Meir speaking to the Knesset as Prime Minister on May 26, 1970, put in a few words what Israeli leaders had long considered the key to peace: "Nothing is lacking for the making of peace but the Arab persistence in denying Israel's very right to exist. Arab refusal to acquiesce in our existence in the Middle East, alongside the Arab states, abides. The only way to peace is through a change in that recalcitrance. When it changes, there will no longer be any obstacle to peace negotiations."

Last November the leader of the largest Arab state made that long-desired change, accepted Israel's right to exist, welcomed it to the Middle East, and offered it full peace and security arrangements.

Yet today, the hope aroused by President Sadat's historic move is just about extinguished. What has gone wrong?

#### Large Reason

One large reason for the failure was caught in a moment last Jan. 19, just two months after Mr. Sadat's trip to Jerusalem. Prime Minister Begin was talking with a group of French Jews. Through them he told Egyptians that a willingness to recognize Israel did not call for concessions in response.

"We never asked your President," Mr. Begin said, "or your government or any other president or general to recognize our right to exist."

Those words, and their tone, made clear that the attitude expressed by Mrs. Meir has changed. Israel's government no longer saw an acceptance of its existence as a transforming fact, opening the way to peace. Mr. Begin did not seem aware of, or sensitive to, the scale and risk of what Mr. Sadat was attempting on his side.

Of course Mr. Begin welcomed the Sadat initiative. But from the beginning there was something less than full-hearted in his response. The beginning was his speech to the Knesset following Mr. Sadat's: an ungenerous speech, properly referring to the torments of the Jewish people but failing to make the barest gesture of awareness that Arabs, too, have suffered.

#### Folly

Then came the decision to start new settlements in occupied territory, concealing the decision with what former Prime Minister Rabin called "tricks" and "shameful subterfuge."

Alexander Casella recently served 18 months in Hanoi as representative of the UN High Commission for Refugees. He is now a senior associate at the international fact-finding center of the Carnegie Endowment for International Peace. He wrote this article for The New York Times.

## Deploying the Neutron Bomb

By William F. Buckley Jr.

**N**EW YORK—Recently, Gen. Alexander Haig, who heads NATO, told a Pentagon news conference that the President should proceed to deploy "ERs," which is the term the technical folks use to signify "neutron bombs." There are reasons not merely mincing, but scientific, for making the distinction. To speak of a neutron bomb is to invoke Hiroshima clouds. Whereas enhancing radiation, which is all that a neutron bomb does, simply intensifies the heat, as the words suggest.

For reasons that should be irrelevant to this analysis but are not, the neutron bomb is, taxonomically, a member of the nuclear family. That is, atom-splitting or some sort or other goes on in order to make an ER give. What makes it go, but what then happens. But this Soviet Union did not permit us to discuss, preferring to talk about the ERs as though they were an advanced form of hydrogen bomb, to be disposed of at decent, industrial and well-intended men.

Now Gen. Haig's press conference is twice as important. First because it brought attention to the military need for the new ERs. Over at the other end, the Warsaw Pact countries began suddenly to move and, in self-defense, we flew in and began to fire the ERs.

#### Interesting

Now the Haig conference is otherwise interesting. Early in his administration President Carter made it very clear, by his summary treatment of Gen. Sunglaub in South Korea, that Carter does not wish generals to disagree with their commander-in-chief publicly. Of all military men, Haig is probably the most experienced in presidential vanities, crotches, and guiles. It is likelier than not that Carter either put Haig up to the press conference in question, to drum up support for the ERs, or that Haig persuaded Carter that the time had come to deliver such an analysis.

After all, several of our allies in Europe, including one or two who are inclined to get themselves overruled from the East every generation or so and only then call on United States assistance, have been squeamish about deploying the neutron bomb on their territory.

Haig's press conference served a twin purpose. To Congress he was saying: the neutron bomb restores parity in Europe and so diminishes the possibility of war; to Europe he was saying, act

your age, free yourselves of the pull of the Soviet cant, and recognize where your own interests lie.

The explosive reaction early in the year by Leonid Brezhnev to the neutron bomb needs to be dealt with more thoroughly by the White House. Brezhnev's blast, for one thing, affected the thinking of the Central African Republic, Chad, Mexico, and the National Council of Churches. That may not seem like much, but it is a leg up. Brezhnev deserves such an answer as Khrushchev on one occasion got from Sen. Dodd when Khrushchev was critical of the U.S. resumption of nuclear testing: detailed comparison of the behavior of the two nations a reading of which left no doubt that the United States was alone in showing a consistent desire to limit nuclear experimentation. It would be easy to put the Soviet Union on the spot about its SS-20 missile. Why don't we do it?

The time is opportune. And it is not irrelevant to the Panama Canal debate, which hangs on the question of whether he has a determined commander in chief.

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials but preference will be given to those fully signed and bearing the writer's complete address.

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Missioni's latest: pleated knits in solid colors for day and lames for evening.



The unrelenting military look from Armani.

## Shouldering On With the Aggressive Military Look

By Hebe Dorsey

MILAN, April 3 (IHT)—The news out of Milan's fall and winter ready-to-wear collections is shoulders, shoulders and more shoulders.

The result is a tough, aggressive military look with epaulettes, gold or braid piping, gold buttons, officer's collars, air force jackets and even air force wings sewn onto the garments. The most popular color is, obviously, khaki, followed by army-blanket maroon and air-force blue. The only real touch of color comes from a rich Bordeaux.

Italian designers readily admit having been influenced by their country's political unrest, which, in some cases, can turn into trauma. Armani's collection, particularly, hit the viewer in the stomach with grim, unrelenting violence, emphasized by platoons of models wearing weird black lipsticks and rouge eyeshadow.

A lot of it, of course, can be discarded as showmanship and there are, after all, various versions of the same look, with some softer than others.

The most rewarding part of padded shoulders is that they bring back a firm, more constructed look after seasons of a loose silhouette that was definitely turning to lumpy.

### The Hunger Effect

Layers and shawls are out and so is the drab salt-mine look that went with them. One can look forward to looking slimmer.

leaner, cleaner. Padded shoulders also have a way of straightening up a garment and the woman with it, as if they were a hanger.

For evening, the contrast between padded shoulders and soft, sensual, satin-clad hips can be quite sexy—a switch that becomes obvious in the different sets of walks on the runway. In the daytime, the models stride in the evening, they slouch.

Skirts are slimmer and longer—and often worn over narrow pants. Pants, on the whole, are all over, which is new for Italian designers. The short spencer jacket is the one surest to catch on because it is so flattering. Leather and fur are an important part of the Italian collections. Satins and golden gauzes dominate the evening picture.

But outside of the military look, the Italian designers ran short of ideas. They made up for it by the incredible quality and variety of their fabrics, leathers, knits and furs, all of which put Italian fashion in a class apart.

### Toy Soldiers

Giorgio Armani, who, with Gianni Versace, leads the new wave of Italian designers, said it all in his opening tableau that looked like a row of neat toy soldiers, all in khaki raincoats, with stand-up collars, epaulettes, belts tightly belted, flat men's shoes and braid rather than leather piping. He did, however, come up with a couple of maroon leather, SS coats with silver fox boas and some of his models wore hip.

For Complice, he delivered a military look but softened it with spongy textures, fur borders and braid rather than leather piping. He did, however, come up with a couple of maroon leather, SS coats with silver fox boas and some of his models wore hip.

### FASHION IN ITALY

like a bullet-proof jacket and you soon began to look for a submarine gun.

But Armani softened up the blow with belts over ruffles, quilting, shirring, wool boas and silver leather blousons. He also had the best selection of fabrics in town—dull jacquard wools, hammered velvets, soft satins and gold-flecked gauges.

Noted for putting the big, loose, unconstructed blazer on the map, Armani followed up with a tweedy, more tailored, long-labeled, one-button blazer that is sure to be another winner.

Gianni Versace, who admitted being in a state of turmoil, scored both with Callaghan and Complice collections. The first one was mostly knits, at which Versace did extremely well considering that knits are bound to go through a difficult phase. His slim, bi-color knit dresses over slim pants had an easy, uncomplicated charm. His Scottish-inspired belted spencers over soft, plaid skirts and his slim cable-knit coats also had a young ring.

Basile also did the big shoulders in his tailored men's suits with satin blouses. His collection, "right on target," as Neil Fox, vice-president of I. Magnin put it, picked up all the familiar themes with an easy, commercial but highly pleasant band. His evening story, told with long, satin tunics over tightly draped hips and narrow satin pants, is sure to go over very well.

The Missoni, whose latest venture is furniture, celebrated their 25th anniversary with a retrospective of their work—magazine blow-ups, samples of their working sketches and colors as well as models of several seasons past, all of which showed remarkable resilience.

Instead of a regular collection, the Missoni had live models parading for all to see—and touch. Their newest look was the pleated knits, both in solid colors for day and shimmering lames for evening.

Mila Schon is in a class all by herself and in tip-top form again this season. She always shines with suits and she brought them up to date with wide, padded shoulders. She had both short, belted spencers and tunic, pinstriped, gangster suits, often topped with a short, almost Victorian caplet. Her evening suits, worn with lingerie blouses and bows, were memorable in an austere, chic-is-chic way.

Andre Laug should be mentioned almost in the same breath as he has been the most faithful disciple of Mrs. Schon, whose double-face technique has softened. This time, he added to his ruffles the ever-so-flattering marabout, including khaki marabout as a lining.

As for Roberta di Camerino, she is another grande dame of Italian fashion but in a world all her own. For, although there is no question that her bags and luggage, which made her famous, appeal to a very large clientele, her ready-to-wear has to go to specific markets.

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	Sls.	Clos.	High	Low	Sls.	Clos.	High	Low																			
ABCO 2	7	37	39%	30%	AGI 2.20	9	100	103	100%	127%	—	—	AVER 44	9	73	154	15	15	—	—	—	—	—	—	—	—	
AF 1.24	9	74	14%	16%	AGIP 2.20	10	4	15	15%	17%	+ 1%	—	Avon 2.40	14	805	495	495	495	495	—	—	—	—	—	—	—	—
AI 2.20	6	32	11%	11%	Allegro 1.20	5	243	25%	21%	21%	—	—	BATM 1.20	7	26	104	10	—	—	—	—	—	—	—	—	—	—
AI 1.45	4	42	17%	11%	Allegro 2.20	5	22	21%	21%	21%	—	—	Bath 2.20	37	154	178	178	178	178	—	—	—	—	—	—	—	—
AI 2.20	373	21%	20%	20%	Allegro 4.00	5	4	10%	10%	10%	—	—	BathCo 2.20	10	55	154	14%	14%	14%	—	—	—	—	—	—	—	—
AI 2.20	6	32	11%	11%	Allegro 6.00	5	4	10%	10%	10%	—	—	BathCo 5.00	11	76	345	24%	24%	24%	—	—	—	—	—	—	—	—
AI 2.20	14	241	15%	15%	Allegro 8.00	6	12	111	111	111	—	—	BathU 2.00	23	25%	26%	26%	26%	26%	—	—	—	—	—	—	—	—
AI 2.20	10	41	15%	15%	Allegro 10.00	5	82	84%	84%	84%	—	—	Battl 2.00	10	55	154	14%	14%	14%	—	—	—	—	—	—	—	—
AI 2.20	6	28	11%	11%	Allegro 12.00	10	243	40%	40%	40%	—	—	Battl 4.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	11	11	11%	11%	Allegro 14.00	7	39	13%	13%	13%	—	—	Battl 6.00	10	55	154	14%	14%	14%	—	—	—	—	—	—	—	—
AI 2.20	9	65	6%	6%	Allegro 16.00	7	57	16%	16%	16%	—	—	Battl 8.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	42	17%	17%	Allegro 18.00	6	48	34%	34%	34%	—	—	Battl 10.00	17	55	154	14%	14%	14%	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 20.00	6	228	25%	24%	24%	—	—	Battl 12.00	10	55	154	14%	14%	14%	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 22.00	5	42	21%	21%	21%	—	—	Battl 14.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 24.00	5	42	21%	21%	21%	—	—	Battl 16.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 26.00	5	42	21%	21%	21%	—	—	Battl 18.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 28.00	5	42	21%	21%	21%	—	—	Battl 20.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 30.00	5	42	21%	21%	21%	—	—	Battl 22.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 32.00	5	42	21%	21%	21%	—	—	Battl 24.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 34.00	5	42	21%	21%	21%	—	—	Battl 26.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 36.00	5	42	21%	21%	21%	—	—	Battl 28.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 38.00	5	42	21%	21%	21%	—	—	Battl 30.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 40.00	5	42	21%	21%	21%	—	—	Battl 32.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 42.00	5	42	21%	21%	21%	—	—	Battl 34.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 44.00	5	42	21%	21%	21%	—	—	Battl 36.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 46.00	5	42	21%	21%	21%	—	—	Battl 38.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 48.00	5	42	21%	21%	21%	—	—	Battl 40.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 50.00	5	42	21%	21%	21%	—	—	Battl 42.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 52.00	5	42	21%	21%	21%	—	—	Battl 44.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 54.00	5	42	21%	21%	21%	—	—	Battl 46.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 56.00	5	42	21%	21%	21%	—	—	Battl 48.00	14	499	255	255	255	255	—	—	—	—	—	—	—	—
AI 2.20	4	57	12%	12%	Allegro 58.00	5																					

## BUSINESS

## Herald Tribune

INTERNATIONAL

Published with The New York Times and The Washington Post

## FINANCE

PARIS, TUESDAY, APRIL 4, 1978

Page 9

**U.K. Grants Leyland Aid For 1978****NEB Promises Funds To 1981 If Goals Met**

LONDON, April 3 (AP-DJ)—Britain will provide British Leyland with £450 million in aid this year. Industry Secretary Eric Varley announced today.

The plans were drawn up by the National Enterprise Board (NEB), which holds the government's 95-percent interest in the company.

Addressing the House of Commons, Mr. Varley said "the government accepts in principle that £850 million of public funds will be needed over the period 1978-81, and envisages that, if British Leyland progresses on the lines set out in the (NEB) plan, the necessary funds will be provided."

"This year's £450 million in government funds will come mainly through a proposed rights issues announced last week."

Mr. Varley said that in the future, the government will decide what amount of aid to give Leyland on an annual basis, "in the light of progress made and of future prospects."

If events indicate that there is a "serious risk" that the NEB plans cannot be achieved, Mr. Varley said, "then the government with the company and the NEB will have to consider the options; and the government would have to accept the financial consequences of any change of plan that it might then agree with the NEB."

The secretary added that the government expected Leyland to show a 10-percent return on capital by 1981.

The report on which the government based its decision to grant the car maker further aid admitted that last year Leyland failed to meet set targets "so virtually all counts."

The NEB, which will hold 99 percent of Leyland's equity after the rights issue, said new government funds through 1981 are needed to help "finance an investment program of some £1.3 billion and to finance a higher level of business activity."

The NEB said it firmly believed that Leyland, the largest car company in Britain, had a viable future in the long term.

**FINANCIAL NEWS AND NOTES****Martin Marietta Bidding for Airoco**

Airoco, which has been resisting an effort by BOC International of London to acquire more of its shares for \$43 each, has a \$50-a-share proposal from Martin Marietta Corp., a major maker of aerospace equipment and aluminum. Airoco, a major maker of industrial gases, welding equipment and metals, says that the Martin Marietta proposal is being considered by its board. The bid is the latest result of efforts by Airoco to try to stop BOC, also a major maker of industrial gases, from acquiring more of its shares at a level that Airoco management has said was too low. BOC, through an original purchase of four million shares in 1973 and one of 1.8 million shares last January, both at \$43 a share, has recently bought more shares in the stock market, at about \$44 a share. It now controls about 56 percent of Airoco's outstanding stock. Airoco has, however, challenged the 1.8 million-share purchase in federal court. Up to last January, Airoco management had cooperated with and encouraged BOC's bid to buy its shares. The companies had discussed merging some of their operations and their top executive officers served on each other's boards. But on Jan. 24, the two groups had a falling out, with Airoco management accusing BOC of disregarding an earlier agreement made in December that they would buy only 1.8 million shares at the \$43 level.

**GE Makes New High Power Transistor**

General Electric has developed what it claims to be the world's most efficient high-power transistor. It says one of the first applications will be in a pair of experimental electric vehicles now being

**U.S. Auto Sales Likely to Trail '77s**

Despite huge inventories, U.S. auto makers have set ambitious second-quarter production schedules in anticipation of a brisk pace of new-car sales this spring. The production goals, however, are slightly lower than last year's, providing the firmest indication yet that, despite some optimistic predictions, auto executives expect that 1978 sales are likely to fall slightly below last year's. Since the introduction of the 1978 models in October, the auto makers have been setting quarterly production goals well ahead of year-earlier levels, in line with predictions that sales would run as much as 6-percent ahead of last year's. When new-car sales began to slump unexpectedly in mid-November, the auto makers began to scale back their ambitions so that actual production for the fourth quarter and the first quarter were below initial goals.

**EOE Opens With Nine Call Series****Options Trading Begins In Amsterdam**

By William Kucewicz  
AMSTERDAM, April 3 (AP-DJ)

The Amsterdam Stock Exchange will launch tomorrow Europe's first venture into traded stock options, hoping to attract sizable investment from throughout the Continent and Britain and seeking to cash-in on a young business which has proved so lucrative in the United States.

Three years in the making, the European Options Exchange (EOE) has been hounded by some last-minute hitches and governmental wrangling. But the ambitious project is on schedule, with Dutch Finance Minister Frans Andriessen ready to ceremonially lead the first option tomorrow afternoon.

Officials of the EOE, which is situated in new quarters adjoining the Amsterdam Stock Exchange, are "cautiously optimistic" that

trading will get off the ground smoothly and slowly. "It's not bad to start slowly... It's much more important to get your controlling department (into operation) because that something that can start only when the market is there," said L.W.G. Scholten, EOE managing director.

Initially, the exchange will offer only "call" options, giving the bearer the option to buy a specific number of underlying shares, at a fixed preset price, within a limited period of time. For that right, the buyer of the option pays a premium, which the seller receives.

What makes this system different from traditional "put-call" transactions is that the options themselves are traded, with investors being able to make a profit on fluctuations in the premium

**Swiss to End Gold Backing**

Bern, April 3 (Reuters)—Switzerland plans to end the compulsory 40 percent gold backing for banknotes as part of the new law covering the activities of the National Bank, a Finance Ministry spokesman said today.

He said that the plan to drop the regulation was motivated by a desire to spare the National Bank unnecessary trouble and the expense of buying more gold if bank-note circulation rises.

To the longer term it would have been necessary for the bank to acquire more gold to add to its reserves of 11.9 billion francs if bank note circulation were to rise sharply above its present level of around 19.5 billion francs, he said.

**Prices Drop On Wall St.**

NEW YORK, April 3 (IHT)—Prices on the New York Stock Exchange declined broadly in moderate trading today amid persistent concern over the dollar's weakness and fears of tighter credit.

The Dow Jones industrial average closed at 751.04, off 6.32.

Volume totaled 20.23 million shares, down from 20.13.

Declines led advances by more than three to one.

U.S. construction spending rose \$6.9 billion annually, or 4 percent, in February, to a seasonally adjusted annual rate of \$178.1 billion, the Commerce Department reported. The rise compares with a \$3.5-billion decline in January but was up 13.5 percent higher than a year earlier.

Buttes Gas & Oil, delayed at the opening, fell 2% to 12 and Getty oil lost 1 to 158. Buttes reported a fourth quarter loss compared with a year earlier profit and said the ruler of Sharjah in the Persian Gulf raised taxes and royalties on production from the Mubarek Field off Abu Musa Island, in which both companies have interests.

General Motors slipped 1 to 60%. The company said its U.S. car production fell to 525,722 in March from 548,085 a year earlier.

Actively traded Gillet lost 1/4 to 26% on volume of 312,000. The company said it knew of no reason for the activity.

Nevada Power gained 1% to 23% after the company raised its quarterly dividend to 50 cents from 44.

International Paper fell 1/4 to 36%, Podlach Corp. 1 to 25%, Harris Corp. 1 to 46%, Superior Oil 6% to 24%, National Medical care 1/2 to 21 and Delta Airlines 1 to 39.

Prices closed broadly lower on the American Stock Exchange in moderate trading with the market-value index down 0.51 to 128.43.

**Volvo Net Up Sharply, Sales Rise Kloeckner Posts Loss On 1.1% Sales Dip****From Wire Dispatches**

PITTSBURGH, April 3—U.S. Steel and Wheeling Pittsburgh Steel rolled back their recent \$10.50-a-ton price increase "to be competitive in the market on a product-by-product basis" after other major U.S. steelmakers raised prices about \$5.50 a ton.

The roll back follows pressure by the government to forgo a larger boost. In Washington, a spokesman for the Council on Wage and Price Stability said the agency is "very pleased" by the move.

However, pretax profit fell to \$31 million kronor from \$82 million, while group sales rose 2.7 percent to 16.17 billion kronor from 15.74 billion.

Group domestic sales fell to 4.72 billion kronor from 5.01 billion while foreign sales rose to 11.45 billion kronor from 10.73 billion.

The board proposed an unchanged dividend of six kronor.

Group operating costs were reduced by a special grant of 193 million kroner by the Netherlands to aid Volvo's unit there.

Parent company net rose 160 million kronor from 121 million the previous year.

**Kloeckner-Werke Loss****From Wire Dispatches**

DUISBURG, West Germany, April 3—Kloeckner-Werke lost 9.8 million Deutsche marks in the year ended Sept. 30 compared with a net profit of 136,000 DM the previous year, the company said today.

Group sales fell 1.1 percent to 4.12 billion DM from 4.17 billion DM. Sales figures are adjusted to include the takeover of Maximilian-Huette Steel Works.

Kloeckner-Werke, West Germany's third largest steel works, said that the loss stemmed solely from the steel production sector with earnings and losses in the metal fabrication sector about in balance.

The Finance Ministry also announced official external reserves rose to a record low 218,175 yen in trading here today, prompting Prime Minister Takeo Fukuda to say he will ask President Carter to take immediate steps to help halt the dollar's slide.

The Finance Ministry also announced official external reserves rose to a record low 218,175 yen in trading here today, prompting Prime Minister Takeo Fukuda to say he will ask President Carter to take immediate steps to help halt the dollar's slide.

The company also said it will take over more than a 20-percent share of Alz NV, a Belgian firm controlled by Cockerill, the Belgian steel group, pending authorization by Belgian and Common Market authorities. It will pay about 30 million DM for the share, with about 20 million DM of that provided by a capital increase through a share issue.

Alz manufacturers rust-free lead and had turnover of 250 million DM in 1977.

Kloeckner-Werke said turnover in the first five months of the current fiscal year has shown improvement. Monthly average rolled steel production is up 5.2 percent from a year earlier and crude steel production is up 5.5 percent. However, sales fell 6.6 percent to average 320.7 million DM a month.

Managing board chairman Herbert Gienow said it would be pure speculation for him to estimate when the company would pay a dividend. The dividend was eliminated last fiscal year. The last dividend paid by the company was 50 DM a share for fiscal 1975.

**Linde Net Up 7.7%****From Wire Dispatches**

WIENSBADEN, April 3—Linde AG's domestic group net profit rose 7.7 percent last year to 33.6 million Deutsche marks from 31.2 million the previous year, the company said today. Net profit of the parent company rose 11.5 percent to 28.47 million DM.

Turnover totaled 1.67 billion DM, up from 1.55 billion. Domestic sales rose 11.6 percent to 1.18 billion DM while export turnover declined 1.8 percent to 489 million DM.

Group incoming orders fell 28 percent to 1.62 billion DM.

Bank analysis were not certain of the exact composition in

**U.S. Steel Rolls Back Prices****Carter Officials 'Very Pleased'**

mine what the price ultimately will be," he added.

Kaiser Steel, who raised price today by \$5.50 a ton on most products, said that while the increase is not enough to cover higher costs, "We have to be responsive to market forces."

Prices remain unclear for other products, including heavy plate and structural steel for the capital goods market, and tubular products.

**Carter Officials Gloomy About Economic Outlook**

WASHINGTON, April 3 (AP-DJ)—Two members of President Carter's cabinet made gloomy statements concerning the economy over the weekend.

Between the bad weather and the oil strike, there was no room for economic growth in the first quarter, Commerce Secretary Juanita Kreps said. The "temporary interruption of growth" means the unemployment rate, declining steadily in recent months, may level off, she said in a speech in North Carolina.

Separately, Treasury Secretary Michael Blumenthal, in a television interview, warned that "inflation may be accelerating."

Their gloomy statements illustrate the growing concern in the administration over the economy.

Mrs. Kreps did not give a precise estimate of what the real gross national product—the nation's output of goods and services adjusted for inflation—might have been in the first quarter. Some government economists are balking that GNP may actually have declined in the quarter which would be the first drop since the 9.6-percent slide in the first quarter of 1975. Mrs. Kreps said she expects GNP will "little changed from the fourth-quarter level" when real GNP grew 3.8 percent.

"This isn't a cause for alarm and doesn't alter our expectation that solid growth of real output will occur during 1978," she said. But government economists are privately trimming forecasts from the administration's official 4.5-to-5 percent growth target for the year.

The Commerce Department is scheduled to make its formal report of first-quarter GNP April 19.

Mrs. Kreps noted that 3.5 to 4 percent in real growth is "needed just to keep the unemployment rate from rising." She added: "We must face the prospect that the unemployment rate may level off for a period," after three months of declines. The jobless rate fell to 6.1 percent in February, below the administration target of 6.2 percent for the final quarter of 1978.

"I am more concerned about inflation today than I was two months ago," Mr. Blumenthal said. Asked whether he favored cut in this year's scheduled price increase for government employees, he said "business and labor and everybody should live with price and wage increases at a lower rate than last year. And that applies to government salaries just as well."

**China Oil Output Rises**

TOKYO, April 3 (AP-DJ)—China's crude-oil and gas output was up in the first quarter of 1978 from a year earlier, the official Hsinhua News Agency report.

Oil output rose 10 percent and natural gas 1 percent, exceeding earlier targets, the report said, although no production figures were given.

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All kinds of banking transactions

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**Financial Highlights**

	Dec. 31, 1977	Dec. 31, 1976
Total Assets	F. 3,897 m	F. 3,706 m
Customers Deposits	F. 1,843 m	F. 1,768 m
Loans to Customers	F. 2,345 m	F. 2,083 m
Capital and Reserves	F. 162,6 m	F. 142,6 m
Profit (*)	F. 14,6 m	F. 31,5 m

(\*) Including capital gains of F 0,7 m in 1977 vs F 22,3 m in 1976.

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## U.S. Commodity Prices

**NEW YORK, April 3—Cash prices in primary markets as registered today in New York were:**

	Mon Year Ago	Mon	Tue	Wed	Thu	Fri	Sat
COTTON	132.70	132.70	132.70	132.70	132.70	132.70	132.70
ORANGE JUICE	15,000 lbs., cents per lb.	116.80	116.80	116.80	116.80	116.80	116.80
COFFEE	17.50	17.50	17.50	17.50	17.50	17.50	17.50
TEA	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEE 44-38.5%, v.d.	0.44	0.38					
STEEL	275.00	240.00					
Steel billets (P.H.C.) ton	275.00	240.00					
IRON 2 Dry, Pitts ton	74.75	74.75					
LCOE spot, lb.	0.23	0.21					
Copper elect. lb.	44.96	74.96					
TIN (Cassiterite), lb.	5.3654	4.275					
22.5% Tin, lb.	0.37						
Silver N.Y.-oz.	5.396	4.875					
Gold N.Y., oz.	185.25	185.65					
COMMODITY Indices							
N.Y. Stock Index (Dec. 31, 1971)	904.71	958.17					
— Preliminary							
— Final							
— Morning							

## NEW YORK FUTURES

April 3, 1978

Open High Low Close Chg.

Ses: 120 SUGAR NO. 1 (12,000 lbs.)

Cents per lb.

Sales: 4,500

b-bl.

Sales: 4,500

COTTON, No. 2 (50,000 lbs.)

Sales: 5,100

Cents per lb.

Sales: 5,100

LIVE SWINE (100 lbs.)

Sales: 4,500

Cents per lb.

Sales: 4,500

LIVE CATTLE (400 lbs.)

Sales: 4,500

Cents per lb.

Sales: 4,500

LIVE HOGS (200 lbs.)

Sales: 4,500

Cents per lb.

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# Reutemann Wins U.S. Grand Prix, Andretti Is Next

LONG BEACH, Calif., April 3 (UPI) — Carlos Reutemann, starting from the pole position, won the U.S. Grand Prix West yesterday, edging Mario Andretti by 11 seconds. Reutemann, in a Ferrari, moved into a first-place qualification with Andretti, both with 18 points.

Reutemann toured the 2.02-mile, 12-turn course over hilly city streets at an average speed of 87.096 miles an hour. The time

was 1 hour 52 minutes and 1.301 seconds for 80 laps.

Reutemann, who won the Brazilian Grand Prix earlier this season, dropped four positions at the start when Gilles Villeneuve, his teammate and the second fastest qualifier, outran him on the first stretch from a standing start.

## Backward Spin

Villeneuve led in the early laps and stayed close to the front until he attempted to pass Clay Regazzoni on the 39th lap and the two cars touched wheels, causing Villeneuve to spin backward into the wall. Villeneuve tried the pass on the inside, but Regazzoni moved his Shadow DN8 back inside and clipped Villeneuve's Ferrari, spinning it completely around. The Ferrari left the track and slammed into the wall.

Niki Lauda, the defending world champion, who started third in a Brabham Alfa Romeo went out of the race on the 29th lap while in second place when his car suddenly lost fuel pressure.

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The Boston Celtics were eliminated after losing to the Indiana Pacers, 123-120, and the Milwaukee Bucks' 129-121 victory over Detroit ousted both the Pistons and the Chicago Bulls.

With a week remaining in the regular season, 8 of the 12 playoff spots are filled — Philadelphia, San Antonio, Washington, New York and Cleveland in the East and Portland, Phoenix and Denver in the West. The four division winners qualify, as well as the teams with the next four best records in each conference.

With Cleveland and New York having clinched berths over the weekend, Atlanta and New Orleans are fighting for the last spot in the East.

## Knicks, Nuggets Both Gain Spots In NBA Playoffs

NEW YORK, April 3 (AP) — New York and Denver are in while Boston, Chicago and Detroit are out as the National Basketball Association playoff picture gradually becomes clearer.

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## NBA Standings

EASTERN CONFERENCE		American Division		W. L.		Pct. .68	
x-Philadelphia*	57-24	58-1	—	57-24	58-1	27-2	27-2
x-New York	48-30	51-5	139	48-30	51-5	22-2	22-2
Boston	31-42	40-2	22	31-42	40-2	18-3	18-3
Buffalo	28-45	36-2	26-2	28-45	36-2	14-3	14-3
New Jersey	33-55	29-5	20-2	33-55	29-5	10-3	10-3

CENTRAL DIVISION		x-Antioch		x-Cleveland		x-Detroit	
x-Saint Louis	38-28	38-1	4-1	39-29	39-11	2-2	2-2
x-Chicago	34-35	35-2	22	34-35	35-2	22	22
Detroit	34-35	35-2	22	34-35	35-2	22	22
Kansas City	35-35	35-1	16	35-35	35-1	16	16

WESTERN CONFERENCE		Midwest Division		x-Denver		x-Milwaukee	
x-Pittsburgh	45-22	58-4	—	45-22	58-4	39-2	39-2
x-Phoenix	48-20	61-5	8	48-20	61-5	22	22
Seattle	44-34	56-12	4	44-34	56-12	22	22
Los Angeles	43-35	55-13	13	43-35	55-13	24	24
Golden State	48-38	51-14	14	48-38	51-14	24	24

## Championship Standings

1. Mario Andretti, 18; 2. Carlos Reutemann, 16; 3. Patrick Depailler, 14; 4. Ronny Peterson, 13; 5. Francois Cevert, 12; 6. Jacques Laffite, 11; 7. James Hunt, 10; 8. Clay Regazzoni, 21; 9. Peter Revson, 2.
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## NBA Leaders

x-Cleveland Division Title		x-Cleveland Playoff Position		Santana's Games		Indiana's Games		Gwin's S.A.		Thompson's Games		Gordon's S.A.		Thompson's Games	
1. Mario Andretti	18	2. Carlos Reutemann	16	John Fitterer	Santana	Sammy Sosa	Mike Schmidt	Jeff Terpstra	pitchers, and	John Fitterer	Sammy Sosa	Mike Schmidt	Jeff Terpstra	pitchers, and	John Fitterer
2. Mario Andretti	18	3. Jacques Laffite	11	Mike Schmidt	Sammy Sosa	John Fitterer	Jeff Terpstra	pitchers, and	John Fitterer	Sammy Sosa	Mike Schmidt	Jeff Terpstra	pitchers, and	John Fitterer	
3. Jacques Laffite	11	4. Ronny Peterson	13	Mike Schmidt	Sammy Sosa	John Fitterer	Jeff Terpstra	pitchers, and	John Fitterer	Sammy Sosa	Mike Schmidt	Jeff Terpstra	pitchers, and	John Fitterer	
4. Ronny Peterson	13	5. Francois Cevert	12	Mike Schmidt	Sammy Sosa	John Fitterer	Jeff Terpstra	pitchers, and	John Fitterer	Sammy Sosa	Mike Schmidt	Jeff Terpstra	pitchers, and	John Fitterer	
5. Francois Cevert	12	6. Jacques Laffite	11	Mike Schmidt	Sammy Sosa	John Fitterer	Jeff Terpstra	pitchers, and	John Fitterer	Sammy Sosa	Mike Schmidt	Jeff Terpstra	pitchers, and	John Fitterer	
6. Jacques Laffite	11	7. James Hunt	10	Mike Schmidt	Sammy Sosa	John Fitterer	Jeff Terpstra	pitchers, and	John Fitterer	Sammy Sosa	Mike Schmidt	Jeff Terpstra	pitchers, and	John Fitterer	
7. James Hunt	10	8. Clay Regazzoni	21	Mike Schmidt	Sammy Sosa	John Fitterer	Jeff Terpstra	pitchers, and	John Fitterer	Sammy Sosa	Mike Schmidt	Jeff Terpstra	pitchers, and	John Fitterer	
8. Clay Regazzoni	21	9. Peter Revson	2	Mike Schmidt	Sammy Sosa	John Fitterer	Jeff Terpstra	pitchers, and	John Fitterer	Sammy Sosa	Mike Schmidt	Jeff Terpstra	pitchers, and	John Fitterer	

## Pakistan Triumphs

BUENOS AIRES, April 3 (AP)		—Pakistan won the fourth Cup of Field Hockey here yesterday, beating the Netherlands, 3-2. Pakistan became the first nation to win the cup for the second time.	
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and now Nicholas Evinopoulos Fotiu is in wonderland. When the Rangers routed the rival New York Islanders, 5-1, last week at Madison Square Garden, the 25-year-old left wing not only kept Mike Bossy, the rookie with 49 goals off the score sheet, but he also contributed a goal and an assist. Unlike some National Hockey League "goons" in recent years, he checked Bossy, did not ring him.

"This is a big lift for me," he said later, "but I've got one to the guys in the room."

## It's Not Unusual

Every player in a team game owes something to his teammates. But perhaps more than anybody else in the NHL, he owes it to himself for making his dream come true. Think of it this way — if Gordie Howe or Bobby Hull or Guy Lafleur or Bryan Trotter or Phil Esposito had grown up on Staten Island, would any of them have become hockey players? Probably not — but Nick Fotiu did.

"When the new Garden had its 10th anniversary a few weeks ago, it really meant something to me," he says. "When they announced it that night, I told Carol Vadnais that when they opened it 10 years ago I was way up in those blue seats."

Not that Fotiu is a skilled hockey player; gifted, yes, gifted with determination, but not skilled. At 6 feet 2 inches and 210 pounds, he is with the Rangers for his muscle. In his two seasons he has scored only six goals while serving 272 minutes in penalties.

In a brawl during the Rangers' 11-4 victory over the Washington

INTERNATIONAL HERALD TRIBUNE, TUESDAY, APRIL 4, 1978



Patrick Tambay emerges from wreckage of his Formula One car, clutching the steering wheel, after a collision with Jacques Laffite during the U.S. Grand Prix West. Both men were unharmed.

## Spring Training

### Tigers' Thompson Showing His Power

LAKELAND, Fla., April 3 (AP) — Jason Thompson is expected to become one of the great power hitters in baseball, and he has been having the kind of spring that confirms expectations.

Last year, Thompson's first full season in the major leagues, he hit 31 home runs and drove in 105 runs. Has Thompson ever thought of leading the American League in home runs and RBI?

John Watson, a Brabham teammate of Lauda's, was second on the first lap followed by Lauda.

Lauda, the Lotus, Lauda, is the 23-year-old left-handed batter said.

"You just hope you stay healthy. I don't want to say how many home runs I'll hit or how many RBI I'll get. But I always thought baseball would make a pretty good life."

"Thompson has been one of Detroit's hottest hitters in spring training," he said. "It gives you confidence," he said. "In spring training you get your timing down. It's going to help you stay healthy."

James Hunt, the 1976 world champion, dropped out shortly after the start with a broken front wheel on his McLaren, apparently the result of first lap contact from Ronnic Peterson.

**Record Quickly Broken**

Alan Jones put on a brilliant driving display in his Saudi Arabia-backed Williams. Jones started in eighth place and broke Lauda's 1977 lap record of 1:22.753 on the 10th lap and then beat Watson when his teammate pulled off the course and stopped with mechanical problems.

Jones, in second midway through the race, slowed in the latter stages with handling problems because of a bent front wheel.

Patrick Depailler, in a Tyrrell, finished third and Peterson, in a Lotus, finished fourth despite a 20-second pit stop for two front tires. Jacques Laffite, in a Matra,

